

RURAL RECONSTRUCTION

Exchange of notes at Nanking August 5, 1948

Entered into force August 5, 1948

*Modified and extended by agreement of June 27, 1949*¹

62 Stat. 3139; Treaties and Other
International Acts Series 1848

The American Ambassador to the Minister of Foreign Affairs

AMERICAN EMBASSY
Nanking, August 5, 1948

EXCELLENCY:

I have the honor to refer to Section 407 of the China Aid Act of 1948² enacted by the Government of the United States of America (hereinafter referred to as the Act), which provides, among other things, for the conclusion of an agreement between China and the United States of America establishing a Joint Commission on Rural Reconstruction in China. In pursuance of the general principles laid down in the Act, and in particular Section 407 thereof, I have the honor to bring forward the following proposals regarding the organization of the Joint Commission and related matters:

(1) There shall be established a Joint Commission on Rural Reconstruction in China (hereinafter referred to as the Commission), to be composed of two citizens of the United States of America appointed by the President of the United States of America and three citizens of the Republic of China to be appointed by the President of China. The Commission shall elect one of the Chinese members as Chairman.

(2) The functions and authority of the Commission shall, subject to the provisions of the above-mentioned Section of the Act, be as follows:

(a) To formulate and carry out through appropriate Chinese Government agencies, and international or private agencies in China a coordinated program for reconstruction in rural areas of China (hereinafter referred to as the Program);

¹ TIAS 1975, *post*, p. 853.

² 62 Stat. 158.

(b) To conclude arrangements with the agencies referred to in the preceding paragraph establishing a basis for their cooperation;

(c) To recommend to the Governments of the United States of America and of China, within the limits prescribed by the Act, the allocation of funds and other assistance to the Program, and to recommend to the Government of China the allocation of such other funds and assistance as are deemed essential to the success of the Program;

(d) To establish standards of performance for implementation of the Program, including the qualifications, type and number of personnel to be used by cooperating agencies in the Program, and to maintain a constant supervision of all phases of the Program, with authority to recommend changes in or stoppage of any phase of the Program;

(e) To appoint such executive officers and administrative staff as the Commission deems necessary to carry out the Program, it being understood that the chief executive officer shall be a citizen of China. Salaries, expenses of travel and other expenses incident to the administrative functions of the Commission itself shall be paid from funds made available under Section 407(b) of the Act.

(3) In its Program the Commission may include the following types of activity to be carried out in agreement with the agencies referred to in paragraph (2)(a);

(a) A coordinated extension-type program in agriculture, home demonstration, health and education, for initiation in a selected group of *hsien* in several provinces to include a limited number of subsidiary projects suited to conditions in the areas where the program is developed, in such fields as agricultural production, marketing, credit, irrigation, home and community industries, nutrition, sanitation, and education of a nature which will facilitate the promotion of all projects being undertaken;

(b) Consultation with the Chinese Government concerning ways and means of progressively carrying out land reform measures;

(c) Subsidiary projects in research, training and manufacturing, to be carried out in suitable locations to provide information, personnel and materials required by the Program;

(d) Projects to put into effect over a wider area than provided for in the coordinated extension-type program specified in (a), any of the above lines of activity which can be developed soundly on a larger scale, of which examples might be the multiplication and distribution of improved seeds, the control of rinderpest of cattle, the construction of irrigation and drainage facilities, and the introduction of health and sanitation measures;

(e) Related measures, in line with the general objectives of this Program;

(f) The distribution of the assistance in this Program, on the principle of giving due attention to strengthening rural improvement in areas where selected projects can be progressively developed and where their development

will contribute most effectively to the achievement of purposes for which this Program is undertaken, but that the principle of distributing aid will not be controlled by proportionate or geographical consideration per se.

(4) In respect of any decision of the Commission, the approval of the Government of China shall be obtained prior to its execution if the Commission or its Chairman, with the concurrence of the Chinese members, deems it necessary.

(5) The Commission shall publish in China and transmit to the Government of the United States of America and the Government of China, in such form and at such times as may be requested by either of the two Governments, full statements of operations, including a statement on the use of funds, supplies and services received, and will transmit to the two Governments any other matter pertinent to operations as requested by either of the two Governments. The Government of China will keep the people of China fully informed of the intended purpose and scope of the Program and of the progress achieved by the Commission in implementing the Program, including the nature and extent of the assistance furnished by the Government of the United States of America.

(6) The Government of China will upon appropriate notification of the Ambassador of the United States of America in China consider the United States members and personnel of the Commission as part of the Embassy of the United States of America in China for the purpose of enjoying the privileges and immunities accorded to that Embassy and its personnel of comparable rank. It is understood that the Ambassador of the United States of America in China in making the notification will bear in mind the desirability of restricting, so far as practicable, the number of officials for whom full diplomatic privileges and immunities would be requested. It is also understood that the detailed application of this paragraph would, when necessary, be a subject of inter-governmental discussion.

(7) All supplies imported into China for use in the Program shall be free of Customs duties, Conservancy dues and other charges imposed by the Government of China on similar supplies which are imported through regular commercial channels.

(8) The Government of the United States of America and the Government of China will consult with respect to problems incident to the interpretation, implementation and possible amendment of the terms of the agreement embodied in this exchange of notes whenever either of the two Governments considers such action appropriate.

(9) The Government of the United States of America reserves the right at any time to terminate or suspend its assistance, or any part thereof, provided under this exchange of notes. Assistance furnished by the Government of the United States of America under Section 407 of the Act and pursuant to this exchange of notes shall not be construed as an express or implied

assumption by the Government of the United States of America of any responsibility for making any further contributions to carry out the purposes of Section 407 of the Act or of this exchange of notes.

(10) This note and Your Excellency's reply accepting the above proposals on behalf of the Government of China will constitute an agreement between the two Governments in the sense of Section 407 of the Act. Subject to the provisions of paragraphs (8) and (9), this exchange of notes will remain in force until June 30, 1949, or, upon the request of either Government transmitted to the other Government at least two months before June 30, 1949, until the date of termination of the Economic Aid Agreement between the two Governments concluded on July 3, 1948.³

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

J. LEIGHTON STUART

His Excellency

Dr. WANG SHIH-CHIEH,
Minister for Foreign Affairs,
Ministry of Foreign Affairs,
Nanking.

The Minister of Foreign Affairs to the American Ambassador

THE MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF CHINA

[SEAL]

NANKING, *August 5, 1948*

EXCELLENCY:

I have the honor to acknowledge receipt of your note of today's date which reads as follows:

[For text of U.S. note, see above.]

On behalf of the Government of China, I have the honor to accept the proposals contained in the note quoted above.

In recognition of the importance of the Program as one of the essential means of achieving the objectives in which the Governments of China and of the United States of America unite in seeking under the Economic Aid Agreement between the two Governments concluded on July 3, 1948, the Government of China undertakes to afford to the execution of the Program the full weight of its support and to direct cooperating agencies of the Government of China, including the local officials concerned, to give

³ TIAS 1837, *ante*, p. 827.

such assistance and facilities as are essential to the success of their undertakings under the Program.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

WANG SHIH-CHIEH

His Excellency

J. LEIGHTON STUART,

*Ambassador of the United States of America to China,
Nanking.*